

New Mexico Environment Department
Chevron Questa Mine Site Cooperative Agreement V-00F93101
Quarterly Progress Report, April 1 to June 30, 2017

I. SUMMARY OF COOPERATIVE AGREEMENT ACTIVITIES

Activities performed by the New Mexico Environment Department (NMED) in accordance with the Chevron Questa Mine Site (CMI) Cooperative Agreement with the Environmental Protection Agency (EPA) pursuant to the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) for the 3rd quarter of Federal Fiscal Year (FFY)17 are detailed below. The report includes: number of hours worked by NMED staff; costs associated with salaries and benefits (not including indirect), other expenses and costs for contract work; and details for the activities performed in support of EPA's Superfund efforts for CMI. Numbers, hours and dollar amounts, provided for salaries and benefits are categorized on the project codes of the cooperative agreement corresponding to Management Assistance, Removal Administrative Order on Consent (AOC), and Early Design AOC.

The number of hours reported covers staff time reported for dates approximately covering this reporting period as hours worked are based on queries run by pay periods which do not always reflect the exact start and end of the quarter. The following table provides approximate staff time expended on CMI CA program activities as follows:

Management Assistance (admin, consent decree negotiations, general management assistance)	297	hours
Removal AOC	115	hours
Early Design AOC	484	hours
Total hours	896	hours

All expenditure amounts provided in this quarterly report are based on data obtained at the end of the reporting quarter according to the date the expenditures were entered on the GWQB's general ledger and accounts payable databases relative to the start and end dates for the quarter. Any journal entries or other adjustments that are completed after the expenditure report run date are not reflected in this document. Journal entries and other adjustments are captured and reflected when draws are conducted. NMED's Administrative Services Division will submit signed copies of the Financial Status Reports directly to EPA. The following table provides approximate amounts expended for combined salaries and benefits (not including indirect) for the 3rd quarter of FFY17:

Management Assistance (admin, consent decree negotiations, general management assistance)	\$12,130
Removal AOC	\$4,780
Early Design AOC	\$20,620
Total Salaries and Benefits	\$37,530

Other operating expenses for activities for CMI totaled approximately \$2,376, excluding contractual services. Costs associated with contractual services are provided in the Contracts section below.

A. Chevron Questa Mine Site (formerly known as Molycorp)

NMED staff expended approximately 297 hours providing management assistance to EPA for conducting oversight at the Chevron Questa Mine Superfund site during the quarter (April – June 2017).

Mr. Joseph Fox, Mr. Kurt Vollbrecht, Mr. Joseph Marcoline, and Ms. Anne Maurer conducted document review, comment preparation, and other tasks pertaining to ongoing activities at the Chevron Questa Mine Superfund Site. The reviewing and commenting on the following documents is an iterative process,

resulting in multiple revisions and document preparations for review by the group. Provided below is a list of the documents received, reviewed and produced during the quarter.

- Reviewed Tailing Facility (TF) Seepage Extraction System (SES) Pre-Design Upgrades Final Report
- Agency comments on Integrated Waste Rock Pile Conceptual Design Options Report
- Agency comments on Water Holding Capacity of Spring Gulch borrow material
- Review Draft Tailing Facility Vegetation Survey and Cover Thickness Study Report
- Review Early Draft Design Actions Tailing Facility Vegetation and Wildlife Studies Report
- Compiled analytical data and trend charts for monitoring wells at the tailing facility for the SES review
- Review Eastern Diversion Channel (EDC) Pipeline Seepage Collar and Groundwater Extraction Well (EW-9) Memo
- Review draft R6 First Five Year Review
- Review Questa Tailing Pipeline Removal Report – tailing spills removal project under the Removal AOC
- Produce EPA 2nd Quarter Progress Report
- Review CMI March 2017 Monthly Progress Report
- Review CMI response to comments on Questa Tailing Facility Grading Plan Pre-Final Report
- Review planned tailing spill removal project on Robinson property
- Seepage investigation draft comments
- Review analytical results for private well sampling south of the tailing facility
- Review second draft R6 First Five Year Review, including appendices
- Review addendum and the modified addendum to Eastern Diversion Channel Pipeline Seepage Collar and Groundwater Extraction Well (EW-9) Memo
- Review technical memo on proposed design revision to the Pre-Final Dam 1 Tailing Facility Grading Plan
- Review Capulin Temporary Water Diversion Design Summary
- Comment and cover letter on Draft Questa Tailing Pipeline Removal (tailing spills removal) Work Plan
- Review Groundwater Monitoring Evaluation Report for South of Historic Buried Tailing
- Review contractor qualifications for Partial Consent Decree (PCD) RD/RA
- Review CMI April 2017 Monthly Progress Report
- Prepare presentation for May 23, 2017 Village of Questa Meeting
- Review overlap of FA cost estimates for PCD and State Permits
- Review NPDES compliance for discharges to the Red River through Outfall 001
- Review Request for TF Groundwater Extraction Schedule
- Review response to comment (RTC) on tailing spill removal during the pipeline removal project
- Review WTP process flow diagram
- Review CMI proposal for moving all discharge authority to CERCLA from the NPDES permit authority
- Receive for review and comment the WTP O&M Plan and Manual
- Finalize comments on the draft Integrated Waste Rock Pile Report
- Comments on CMI's RTC for the Tailing Facility Grading Plan Pre-Final Design
- Review Wetland Compensatory Mitigation Property Evaluation and its relevance with the Anderson Ranch property acquired by BLM for NRDA settlement
- Receive for review Dry-Maintenance Excavation Completion Report

- Review PCD Monthly Progress Report
- Review and edit comments on TF SES
- Review CMI May 2017 Monthly Progress Report
- Review Questa community meeting notice for CIP presentation
- Review posters for Questa community meeting
- Review extension request for Draft Integrated Waste Rock Pile Design Report
- Receive for review Lower Sulphur Gulch Waste Rock Pile Drainage Extraction System Report, Draft RA Work Plan
- Receive for review Draft Mine Site Performance Monitoring Plan
- Receive for review Draft Tailing Facility Performance Monitoring Plan
- Receive for review Site-wide Health and Safety Plan
- Receive for review Draft Schedule and Hydrological Investigation Work Plan for design of Tailing Facility groundwater extraction

In addition to the documents under review above, NMED staff routinely prepared for and participated in meetings and weekly calls with EPA, intra-state agencies, and with CMI as necessary to discuss ongoing issues at the Chevron Questa Mine Site. In addition to regular communication regarding the site, NMED also conducted site visits and associated field activities as necessary. The following highlights are significant NMED communications and site activities for the quarter:

- April 3, 2017 – Tailing facility inspection
- April 6, 2017 – Capulin and GHN inspection
- April 10, 2017 – Meeting in Santa Fe on seepage interception system upgrades
- April 13, 2017 - Meeting in Santa Fe on CERCLA and DP-1539 overlap
- April 13, 2017 – Meeting with EPA on TF SES upgrades
- April 17, 2017 – Questa tailing and mill inspection
- April 18, 2017 – Meeting in Santa Fe on CMI oversight
- April 19, 2017 – Meeting in Admin and drilling on site
- April 20, 2017 – Teleconference regarding tailing removal and EDC performance
- April 21, 2017 – Teleconference on EDC collar and EW-9 extraction well
- April 24, 2017 – Meeting in Questa, Village and drilling on site
- April 25, 2017 – Sampling at NMDGF hatchery and drilling at the mine
- April 26, 2017 – Red River sampling
- May 1, 2017 – Teleconference with EPA on EDC Removal Action Work Plan
- May 3, 2017 - Meeting with BLM at Monument well site
- May 4, 2017 – Drilling and Forest Service meeting
- May 8, 2017 – Drilling on rock pile inspection
- May 9, 2017 – Meeting in Questa and tailing inspection
- May 17, 2017 – Pump test at Forest Service well along Red River
- May 17, 2017 – Well camera and pump in Questa
- May 23, 2017 – Village of Questa and Taos County update meeting
- May 24, 2017 – Scoping meeting with CMI on EDC collar and extraction well
- June 1, 2017 – Meeting in Questa with members of the public
- June 6, 2017 – Questa sampling
- June 12, 2017 – Santa Fe remedial meeting
- June 13, 2017 – Hatchery sampling
- June 21, 2017 – Questa wetland and pipeline removal project meeting
- June 27, 2017 – Chevron Questa Mine TF SES Pre-Final Design comments meeting
- June 29, 2017 – Mill demolition inspection and wetlands inspection

Mr. Mark Garman, Program Manager, in collaboration with Mr. Joe Fox and Mr. Kurt Vollbrecht, finalized the Application for the next CMI Cooperative Agreement that will be put in place now that the new Consent Decree is signed. Mr. Garman and Mr. Steve Jetter submitted the application to EPA through Grants.gov on June 29, 2017.

B. Contracts

Costs for contractual services (laboratory) during this quarter totaled \$1,227.

C. Training and Conferences; Other Employee-Related Expenditures

NMED participated in training and a presentation by Dr. Steve Dwyer on ET cover systems during this quarter.

D. Personnel

There were no personnel changes during the quarter.

E. Cost Recovery Unit

Financial staff prepared a cost package for the 3/01/16 through 2/28/17 timeframe during the quarter.

G. Progress Reporting

This is the 11th quarterly report for V-00F93101. Prior CMI related activities through FFY14 were reported under NMED's Multi Project Cooperative Agreement – V-00F62201.